

TESTIMONY IN OPPOSITION TO HB 492
BEFORE THE SENATE TAXATION COMMITTEE

Keith Kelly, Commissioner
Montana Department of Labor and Industry
March 23, 2007

Mr. Chairman, members of the Committee, for your record my name is Keith Kelly. I am the Commissioner of the Montana Department of Labor and Industry. The Department enforces the minimum wage provisions in Montana statutes. I am here today to oppose HB 492.

Montana voters overwhelmingly approved I-151 to increase the minimum wage. There was vigorous debate over I-151, including the potential impact on restaurants. Voters were clearly aware that the increase in the minimum wage would also apply to waiters and waitresses. HB 492 seems to be an attempt to circumvent the clear intent of Montana voters in passing I-151. In addition, HB 492 singles out and penalizes waiters and waitresses.

HB 492 would freeze the minimum wage for food and beverage servers at \$6.15 per hour. There are no future increases like those guaranteed under the provisions of I-151. Any increase to the minimum wage for food and beverage servers would require an increase by statute in this section.

Montana is already 49th out of the 50 states in our average annual wage. Our current average wage level is \$29,155. We are \$1 per year above South Dakota. HB 492, by freezing potential future increases in the minimum wage for waiters and waitresses, contributes to wage stagnation in our state's average annual wage.

As of May 2005, according to Occupational Employment Statistics data maintained by the Research and Analysis Bureau of the Department, there were an estimated 6,345 Waiters and Waitresses in Full-Service Restaurants in Montana. According to the Quarterly Census of Employment and Wages, in 2005 there was an average of 966 Full-Service Restaurants in Montana.

(OVER)

Testimony on HB 492
Senate Taxation Committee
Keith Kelly
March 23, 2007

Let me share some demographic information on waiters and waitresses. Montana is too small a state to have state specific data so this is information on waiters and waitresses for the nation as a whole. We believe this data is consistent with Montana.

	<u>Male</u>	<u>Female</u>
% of Waiters and Waitresses	30%	70%
<u>General Data</u>		
Average Age	28.1 years	29.5 years
Average Hours Worked	32.7 hours	29.3 hours
Total Annual Income	\$16,669	\$12,002
<u>Educational Level</u>		
H.S. diploma or less	45%	58%
Some college	40%	35%
Bachelor's or advanced degree	15%	7%
<u>Marital Status</u>		
Married	19%	28%
Single	73%	58%
Widowed/Divorced/Separated	8%	14%

As you can see, people working as waiters and waitresses in full service restaurants are not just teenagers or married women working for a little extra cash. The vast majority are single women, in there late twenties and working for a total annual income that is less than ½ of the average annual income in Montana.

Mr. Chairman, members of the committee, we shouldn't further penalize these hard working lower income citizens of Montana. I urge a "Do Not Concur" recommendation on HB 492.